



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240



SEP 25 1991

Honorable James Hendrickson
Chairman, Grand Portage Reservation
Business Committee
P.O. Box 428
Grand Portage, Minnesota 55605

Dear Chairman Hendrickson:

We are in receipt of the tribal-state compact concluded between the Grand Portage Band of Chippewa and the State of Minnesota, accompanied by the requisite tribal resolution authorizing the compact process. Pursuant to my delegated authority and Section 11 of the Gaming Act, we approve the compact.

The compact shall take effect upon publication in the FEDERAL REGISTER of notice of our approval pursuant to Section 11 (d) (3) (B).

Section 11(d), (25 U.S.C. 2710) of the Indian Gaming Regulatory Act of 1988, (P.L. 100-497; 25 U.S.C. 2710 et seq.), requires the Chairman of the National Indian Gaming Commission to approve tribal resolutions authorizing Class III gaming. However, the Commission does not yet have final regulations governing such approvals.

We wish the Tribe and the State success in this economic endeavor.

Sincerely,

/s/ Eddie F. Brown

Assistant Secretary - Indian Affairs

Enclosure

Identical letter to: Honorable Arne H. Carlson
Governor of Minnesota
130 State Capitol
St. Paul, Minnesota 55155

cc: Minneapolis Area Director with copy of approved compact
Minnesota Agency Superintendent with copy of approved compact
National Indian Gaming Commission with copy of approved compact
Penny Coleman, SOL

DEPARTMENT OF THE INTERIOR**Indian Gaming; Tribal-State Compacts;
Prairie Island Indian Community et al.**

AGENCY: Bureau of Indian Affairs,
Interior.

ACTION: Notice of approved Tribal-State
Compact.

SUMMARY: Pursuant to 25 U.S.C. 2710, of the Indian Gaming Regulatory Act of 1988 (Pub. L. 100-497), the Secretary of the Interior shall publish, in the *Federal Register*, notice of approved Tribal-State Compacts for the purpose of engaging in Class III (casino) gambling on Indian reservations. The Assistant Secretary—Indian Affairs, Department of the Interior, through his delegated authority has approved Tribal-State Compacts between the following tribes and states:

The ~~Prairie Island Indian Community~~ and the ~~State of Minnesota~~ executed on May 13, 1991; the Lower Sioux Indian Community and the State of Minnesota executed on May 8, 1991; the White Earth Band of Chippewa and the State of Minnesota executed on May 24, 1991; the Leech Lake Band of Chippewa Indians and the State of Minnesota executed on May 8, 1991; the Fond du Lac Band of Lake Superior Chippewa and the State of Minnesota executed on May 21, 1991; the Bois Forte Band of Chippewa and the State of Minnesota executed on May 10, 1991; the ~~Grand Portage Band of Chippewa~~ and the State of Minnesota executed on May 13, 1991; the Mille Lac Band of Chippewa and the State of Minnesota executed on May 9, 1991; the Upper Sioux Indian Community and the State of Minnesota

executed on May 13, 1991; the Red Lake Band of Chippewa and the State of Minnesota executed on June 11, 1991; and the Shakopee Mdewakanton Sioux Community and the State of Minnesota executed on June 10, 1991.

DATES: This action is effective on October 3, 1991.

ADDRESSES: Office of Tribal Services, Bureau of Indian Affairs, Department of the Interior, MS 4603 MIB, 1849 "C" Street, NW., Washington, DC 20240.

FOR FURTHER INFORMATION CONTACT: Joyce Grisham, Bureau of Indian Affairs, Washington, DC 20240, (202) 208-7445.

Dated: September 25, 1991.

Eddie F. Brown,

Assistant Secretary—Indian Affairs.

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BILLING CODE 4310-02-M

**TRIBAL-STATE COMPACT
FOR CONTROL OF CLASS III BLACKJACK ON THE
GRAND PORTAGE BAND OF CHIPPEWA
RESERVATION IN MINNESOTA**

WHEREAS, the State of Minnesota (hereinafter "State") and the Grand Portage Band of Chippewa, (hereinafter "Band") are separate sovereigns, and each respects the laws of the other; and

WHEREAS, the Band exercises governmental authority within the Grand Portage Reservation (hereinafter "Reservation"), which, for purposes of this compact, means those lands within the current boundaries of the Grand Portage Reservation and any other "Indian lands", as defined by the Indian Gaming Regulatory Act, over which the Band exercises governmental authority; and

WHEREAS, the Congress of the United States has enacted the Indian Gaming Regulatory Act (hereinafter "IGRA"), Public Law 100-497, 102 Stat. 2467, 25 U.S.C. Sections 2701 to 2721 (1988) creating a mechanism through which the several States and Indian tribal governments may allocate jurisdiction and control of Class III gaming activity which occurs on their lands; and

WHEREAS, the Band is a federally recognized Indian tribal government which is duly qualified to conduct certain types of Class III gaming on its lands;

WHEREAS, the State of Minnesota pursuant to Minnesota Statute Section 3.9221 (1990), authorizes the Governor or his representatives to negotiate with regard to compacts with the several Indian tribal governments in the State of Minnesota; and

NOW THEREFORE, in consideration of the mutual undertakings and agreements hereinafter set forth, the Band and the State enter into the following compact.

Section 1. Findings and Declaration of Policy

1.01 Findings

As the basis for this compact, the State and the Band have made the following findings:

- 1.02 This compact shall govern the licensing, regulation and play of the banking card game of "Blackjack" or "Twenty-one (21)" (hereinafter "Blackjack") within the Reservation. Blackjack is a banking card game which involves the use of one or more decks of playing cards, the purpose of which is to reach the number "21" (or as close thereto as possible without exceeding the number "21") through the cumulative addition of cards dealt to the players and the house. The game shall be played as described in Section 4 of this compact.
- 1.03 The purposes of this compact generally are to provide the Band with the opportunity to offer Blackjack in a way that will benefit the Band economically, that will insure fair operation of the game, and that will minimize the possibilities of corruption and infiltration by criminal influences.
- 1.04 The Band has the right to license and regulate gaming activity on its lands in accordance with the IGRA and this compact.

- 1.05 A principal goal of Federal Indian policy is to promote tribal economic development, tribal self-sufficiency, and strong tribal government;
- 1.06 The State and the Band find it to be consistent with the IGRA, and the public health, safety and welfare to regulate Blackjack pursuant to this compact.
- 1.07 The Band has operated various forms of Class II gaming, has operated Class III video games of chance pursuant to a Tribal-State compact since 1989, and has implemented controls satisfactory to the Band for the responsible operation and regulation of the games.
- 1.08 The Band will operate Blackjack pursuant to this compact and contemporaneously with its Class II and Class III gaming operations.
- 1.09 Nothing herein shall in any way affect or alter the terms of the Tribal-State compact for control of Class III video games of chance on the Grand Portage Reservation in Minnesota, executed by the Band and the State in 1989 and approved by the Secretary of the Interior.

1.1 Declaration of Policy

- 1.2 The State recognizes the positive impacts that gaming may provide to the Band. The Band may utilize gaming-generated financial resources to fund programs that provide various vital services to Band residents. These programs may include education, health and human resources, housing development, road construction and maintenance, sewer and water projects, and economic development. The State also recognizes that the positive economic effects of such gaming enterprises may extend beyond tribal governments to the tribe's neighbors and surrounding communities, and may help to foster mutual respect and understanding among Indians and non-Indians.
- 1.3 The Band and the State, through this compact and the regulations incorporated herein, shall attempt, in good faith, to address the legitimate common concerns of both parties.

Section 2. Duration, Renegotiation and Effect on Right to Request Compacts under the IGRA for Class III Gaming

2.1 Duration

Subject to the provisions of Section 9, this compact shall become effective upon execution by the Governor of the State, ratification by the Band, approval by the Secretary of the Interior and publication of that approval in the Federal Register pursuant to the IGRA. This compact is entered into pursuant to the IGRA. State law and Band law. Minnesota Statutes Section 3.9221 (1990) is incorporated herein by reference. It is the intent of the State that, if the Minnesota Legislature prohibits the play of Blackjack for all purposes as against public policy and as a matter of criminal law, this compact shall not be construed to provide for the continued play of Blackjack by the Band pursuant to this compact. It is the intent of the Band that, if the Minnesota Legislature prohibits the play of Blackjack for all purposes as against public policy and as a matter of criminal law, this compact shall not be construed to prohibit the continued play of Blackjack by the Band pursuant to this compact. As provided in Minn. Stat. § 3.9221, subd. 4 (1990), in

the event of a request for a renegotiation under section 2.2 of this compact the existing compact will remain in effect until renegotiated or replaced.

2.2 Renegotiation

(1) Except as provided in subsection (2) below, the State or the Band may, by appropriate and lawful means, request negotiations to amend, replace or repeal this compact. In the event of a request for renegotiation, this compact shall remain in effect until renegotiated or replaced. Such requests shall be in writing and shall be sent by certified mail to the Governor of the State or the Chairman of the Band at the appropriate governmental office. If such a request is made by the Band, it shall be treated as a request to negotiate pursuant to the IGRA. The parties shall have 180 days to negotiate and all further procedures and remedies available under the IGRA shall thereafter apply. The State and the Band may agree to extend the 180 day period without prejudice to the rights of either party under this section.

(2) Subsection (1) shall not permit the Band to request negotiations to amend, replace or repeal the provisions of section 2.3 (1) and (2) of this compact and, by entering into this compact, the Band waives any right it may have under state or federal law to request such negotiations.

2.3 Effect on Right to Request Compacts Under the IGRA for Class III Gaming

(1) By entering into this compact, the Band waives any right it may have under state or federal law to request the State to negotiate a compact for any form of Class III gaming that is permitted by the State only in conjunction with a private social bet. However, nothing in this section shall affect the right of the Band to request the State to negotiate a compact governing any other form of Class III gaming which the State permits for charitable, commercial or governmental purposes. In the event such negotiations are requested, all provisions of the IGRA shall apply.

(2) From the effective date of this compact, the Band also waives any right it may have under state or federal law to request the State to negotiate a compact governing pari-mutuel wagering (or any other form of wagering) on races conducted at any racetrack, inside or outside the State of Minnesota, and broadcast to a facility on the Band's reservation. However, if the State enacts a statute to permit such wagering at any site, other than a licensed racetrack within the State, the Band may request such a compact, but the State has no obligation under state or federal law to negotiate or enter into such a compact if the State has entered into such compacts in a number equal to the number of such facilities authorized under state law for non-Indians or non-Indian entities.

Section 3. Allocation of Jurisdiction

3.1 Tribal and State Jurisdiction

This compact shall not be construed to limit any jurisdiction or remedies available to either party pursuant to the terms of the IGRA or other applicable law.

Section 4. Regulatory Standards For Blackjack

4.1 Assessment to Assist State Administration

In order to assist the State's administration of its responsibilities under this compact, the Band agrees to pay the State Department of Public Safety, Gambling Enforcement Division the sum of thirteen thousand six hundred thirty-six dollars and thirty-six cents (\$13,636.36) within thirty (30) days of the effective date of this compact or on October 1, 1991, whichever is later. The Band agrees that on July 1, 1992 and each July 1 thereafter during the term of this compact, the Band will pay a like sum to the State.

4.2 No Credit Extended

All gaming shall be conducted on a cash basis. Except as herein provided, no person shall be extended credit for gaming by any gaming facility operated within the Band, and no operator shall permit any person or organization to offer such credit for a fee. This section shall not restrict the right of the Band or any other person to offer check cashing or to install or accept bank card or credit card transactions in the same manner as would be normally permitted at any retail business within the State.

4.3 Minimum Age for Players

No person below the age of 18 on the date of gaming shall be permitted to play Blackjack. If any person below the age of 18 plays and otherwise qualifies to win, the prize shall not be paid, and the estimated amount wagered during the course of the game shall be returned to the minor.

4.4 Inspection

Agents of the Department of Public Safety of the State of Minnesota, or their designated representatives, shall upon the presentation of appropriate identification, have the right to gain access, without notice during normal business hours, to all premises used for the play of Blackjack or the storage of equipment related thereto, and may inspect all premises, equipment, records, documents, or items related to the play of Blackjack in order to verify compliance with the provisions of this compact. Inspections made pursuant to this section shall not be conducted in a manner which disrupts normal business operations and shall be conducted by agents who maintain the highest security clearance available within the Department of Public Safety.

4.5 Game Regulations

The game of Blackjack shall be played in accordance with the following regulations.

(1) Definitions:

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

- A. "A Blackjack" shall mean an ace and any card having a point value of 10 dealt as the initial two cards to a player or a dealer, provided that if the

player has a ten value card and an Ace after splitting a pair of Aces or Tens, that is not a blackjack.

- B. "Dealer" shall mean the person responsible for dealing the cards in the game of Blackjack.
- C. "Hard Total" shall mean the total point count of a hand which contains no aces or which contains aces that are each counted as 1 in value.
- D. "Soft Total" shall mean the total point count of a hand containing an ace when the ace is counted as 11 in value.
- E. "Propositional Wager" or "Proposition Bet" shall mean an additional wager that is placed at the sole discretion of the player but would not affect the normal play of a hand, as specified in sections 4.5(9) through 4.5(13).
- F. "Game" shall mean the game of Blackjack as defined in section 1.02 of this compact.

(2) Cards; Number of Decks; Value of Cards:

- A. Blackjack shall be played with at least one bordered deck of cards with backs of the same color and design and one colored cutting card. Before being put into play, the cards shall arrive at the gaming location sealed and wrapped.
- B. The value of the cards contained in each deck shall be as follows:
 - 1. Any card from 2 to 10 shall have its face value;
 - 2. Any Jack, Queen or King shall have a value of ten;
 - 3. An ace shall have a value of eleven unless that would give a player or the dealer a score in excess of 21, in which case, it shall have a value of 1.

(3) Wagers:

- A. No more than seven players shall be allowed to make wagers at any single gaming table for any given hand.
- B. Prior to the first card being dealt for each round of play, each player at the game of Blackjack shall make a wager against the dealer which shall win if:
 - 1. The score of the player is 21 or less and the score of the dealer is in excess of 21;
 - 2. The score of the player exceeds that of the dealer without either exceeding 21; or
 - 3. The player has achieved a score of 21 with the first two cards (i.e. a Blackjack) and the dealer has achieved a score of 21 with more than two cards.
- C. Except as otherwise provided in section 4.5(3)(B)(3), a wager made in accordance with this subsection shall be a push when the score of the player is the same as the dealer, provided, however, that a player's wager shall be lost when the dealer has a blackjack and the player has a simple 21 which is

not a blackjack, unless the Band chooses to permit the casino to consider a player's 21 (that is not a blackjack) a tie (push) when the dealer has an ace under this 10 up card.

- D. Except as otherwise provided in these regulations, no wager shall be made, increased or withdrawn after the first card of the respective round has been dealt.
- E. All wagers shall be made by placing gaming chips or plaques on the appropriate areas of the table layout. Cash may be accepted provided that the such acceptance of cash is limited to an exchange of cash for chips and is confirmed by the dealer and a casino supervisor.
- F. The Band shall establish minimum wagers and maximum wagers permitted at each blackjack table in the casino. The minimum and maximum wagers shall be conspicuously posted at each table. The Band, at its discretion, may change the minimum and (or) maximum at any table, provided that the players that are already playing at the table shall not be required to abide with the new minimum. Any player may chose to bet the new maximum. If the maximum bet at any given table is greater than or equal to \$200, the Band shall provide the increases surveillance required under section 4.5(7)(B).
- G. Except for a blackjack all winning wagers made in accordance with subsection A of this section shall be paid at odds of 1 to 1. At the discretion of the Band a Blackjack shall be paid at the minimum odds of 3 to 2, and the maximum odds of 2 to 1. The odds for the payment of a Blackjack shall be conspicuously posted at the gaming table.
- H. Once the first card of any hand has been dealt by the dealer, no player shall handle, remove or alter any wagers that have been made unless the dealer approves such an alteration or removal of a wager in accordance with these regulations.
- I. Once a wager on the insurance line, a wager to double down, a wager on an over under 13, or a wager to split pairs has been made and confirmed by the dealer, no player shall handle, remove or alter such wagers unless the dealer approves such a removal or alteration in accordance with these regulations.
- J. The Band may preclude a person who has not made a wager on the first round of play from entering the game on a subsequent round of play prior to a reshuffle of the cards occurring. Any person permitted by the Band to enter the game after the first round of cards is dealt may be limited by the Band to a wager of the minimum limit posted at the table until the cards are reshuffled and a new deal is commenced.
- K. Any player who, after placing a wager on any given round of play, declines to place a wager on any subsequent round of play may be precluded by the Band from placing any further wagers until that deck or shoe of cards is completed and a new deck or shoe is commenced.

(4) Opening of Table for Gaming:

- A. After receiving the one or more decks of cards at the table, the dealer shall sort and inspect the cards and the floor person assigned to the table shall verify the inspection.
- B. After the cards are inspected, the cards shall be spread out face upwards on the table for visual inspection by the first player or players to arrive at the table. The cards shall be spread out in horizontal fan shaped columns by deck according to suit and in sequence.

(5) Shuffle and Cut of the Cards:

- A. Immediately prior to commencement of play and after any round of play as may be determined by the Band, the dealer shall shuffle the cards so that they are randomly intermixed.
- B. After the cards have been shuffled, the dealer shall offer the stack of cards, with backs facing away from him, to the players to be cut.
- C. The player designated by subsection D of this section or the dealer as designated in subsection E of this section shall cut the cards by placing the cutting card in the stack at least 10 cards in from either end.
- D. The player to cut the cards shall be:
 - 1. The first player to the table if the game is just beginning;
 - 2. The player on whose box the cutting card appeared during the last round of play;
 - 3. The player at the farthest point to the right of the dealer if the cutting card appeared on the dealer's hand during the last round of play.
 - 4. The player at the farthest point to the right of the dealer if the reshuffle was initiated at the discretion of the Band.
- E. If the player designated in section 4.5(5)D refuses the cut, the cards shall be offered to each other player moving clockwise around the table until a player accepts the cut. If no player accepts the cut, the dealer shall cut the cards.

(6) Procedure for Dealing Cards from a Shoe:

The following procedures shall govern those gaming tables where the election has been made to deal from a shoe:

- A. All cards used to game at blackjack shall be dealt from a multideck dealing shoe specifically designed for such purpose and located on the table to the left of the dealer.
- B. Each dealer shall remove cards from the shoe with his left hand, turn them face upwards, and then place them on the appropriate area of the layout with his right hand, except that the dealer has the option to deal hit cards to the first two positions with his/her left hand.

- C. After each full set of cards is placed in the shoe, the dealer shall remove the first card there from face downwards and place it in the discard rack which shall be located on the table immediately to the right of the dealer. Each new dealer who comes to the table shall follow the same procedure as described in this subsection before the new dealer deals any cards to the players. The first card which has been placed face down in the discard rack, otherwise known as the "burn card," shall be disclosed if requested by a player.
- D. At the commencement of each round of play, the dealer shall, starting on his left and continuing around the table toward his right, deal the cards in the following order:
1. One card face upwards to each box on the layout in which wager is contained;
 2. One card face down to himself;
 3. A second card face upwards to each box in which a wager is contained;
 4. A second card face down, turning his original card face up.
- E. After two cards have been dealt to each player and the dealer, the dealer shall, beginning from his left, indicate each player's turn to act. Such player shall indicate to the dealer whether he wishes to double down, split pairs, stand or draw as provided in these regulations.
- F. As each player indicates his decision(s), the dealer shall deal face upwards whatever additional cards are necessary to effectuate such decision consistent with these regulations and shall announce the new point total of such player after each additional card is dealt. At no time shall a player be allowed to touch the cards.
- G. At the conclusion of a round of play, all cards still remaining on the layout shall be picked up by the dealer in order and in such a way that they can be readily arranged to indicate each player's hand in case of questions or dispute. The dealer shall pick up the cards beginning with those of the player to his far right and moving counter-clockwise around the table. After all the players' cards have been collected the dealer shall pick up his cards and place them in the discard rack on top of the players' cards.
- H. Whenever the cutting card is reached in the deal of the cards, the dealer shall continue dealing the cards until that round of play is completed after which he shall reshuffle the cards. If at the beginning of a new round, the first card to be dealt is the cutting card, the dealing stops and the dealer shuffles the pack.
- I. No player or spectator shall handle, remove or alter any cards used to game at blackjack except as explicitly permitted by these regulations.
- J. Each player at the table shall be responsible for correctly computing the point count of his hand and no player shall rely on the point counts to be announced by the dealer under this section without himself checking the accuracy of such announcement.

- K. At any time when all players leave a table before play may be resumes the dealer must repeat the procedures contained in subsections 4.5(4)(B) and subsection 4.5(5).

(7) Procedure for Dealing Cards from the Hand:

The following procedures shall govern those gaming tables where the election has been made to deal from the hand:

- A. Other than that the cards are dealt from the hand rather than a shoe the procedures described in sections 4.5(4), 4.5(5), and 4.5(6) shall apply.
- B. At any table from which the cards are dealt from the hand there must be a camera capable of providing pan, tilt, and zoom surveillance at that table, and one pit boss or floor supervisor for every two such tables.

(8) Payment of a Blackjack:

- A. If the first face up card dealt to the dealer is 2, 3, 4, 5, 6, 7, 8, or 9 and a player has a blackjack, the dealer shall announce and pay the winner at odds in play at that table, either immediately or at hand's conclusion.
- B. If the first face up card dealt to the dealer is an Ace, King, Queen, Jack or Ten and a player has a blackjack, the dealer shall announce the blackjack but shall make no payment nor remove any cards until all other cards are dealt to the players and the dealer receives his second card. If, in such circumstances, the dealer's second card does not give him a blackjack, the player having a blackjack shall be paid at odds in play at that table. If, however, the dealer's second card gives him a blackjack, the wager of the player having a blackjack shall constitute a tie or a push.

(9) Surrender:

- A. The Band may, at its discretion, allow a player to elect to surrender. A surrender allows the player to discontinue play on his hand for that round by surrendering one half of his wager after the first two cards are dealt to the play and the player's point total is announced.
- B. The Band shall promulgate rules specifically governing the play of surrender. Such rules shall be made available to any player upon request. The basic rules governing surrender shall be conspicuously posted at the location where blackjack is being played.

(10) Insurance:

- A. The Band may, at its discretion, allow a player to elect to place an insurance wager. A player may elect to place an insurance wager anytime the first card dealt to the dealer is an ace.
- B. The Band shall promulgate rules specifically governing the placing of insurance wagers. Such rules shall be made available to any player upon request. The basic rules governing the placing of insurance wagers shall be conspicuously posted at the location where blackjack is being played.

(11) Doubling Down:

- A. The Band may, at its discretion, allow a player to double down. Doubling down allows the player the option of making an additional wager not in excess of his original wager after the first two cards have been dealt to him, and to make such an additional wager on any first two cards of any split pair.
- B. The Band shall promulgate rules specifically governing the placing of double down wagers. Such rules shall be made available to any player upon request. The basic rules governing doubling down shall be conspicuously posted at the location where blackjack is being played.

(12) Splitting Pairs:

- A. The Band may, at its discretion, allow a player to elect to split pairs. Splitting pairs allows a player who has been dealt two cards identical in value may elect to split the single hand into two separate hands provided that the player makes a wager on the separately formed second hand equal to the value of the original wager.
- B. The Band shall promulgate rules specifically governing the splitting of pairs. Such rules shall be made available to any player upon request. The basic rules governing the splitting of pairs shall be conspicuously posted at the location where blackjack is being played.

(13) Over and Under 13:

- A. The Band may, at its discretion, allow a player to place a wager on the point total of the player's first two cards, as follows: before the commencement of each round of play, a player may wager that the point total of the first two cards will be twelve or less; and the player may wager that the point total of the first two cards will be fourteen or more. Aces shall count as "1". The amount thus bet shall not exceed the amount of the original wager.
- B. The Band shall promulgate rules specifically governing the play of over and under 13. Such rules shall be made available to any player upon request. The basic rules governing the play of over and under 13 shall be conspicuously posted at the location where blackjack is being played.

(14) Drawing of Additional Cards by Players and Dealers:

- A. A player may elect to draw additional cards whenever his point count total is less than 21 except that:
 - 1. A player having a Blackjack or a hard total of 21 may not draw additional cards;
 - 2. A player electing to double down may draw up to the posted limit; and
 - 3. A player splitting aces shall only have one card dealt to each ace and may not elect to receive additional cards.

- B. Except as provided in C below, a dealer shall draw additional cards to his hand until he has a total, as posted on the layout, at which point no additional cards shall be drawn.
- C. A dealer shall draw no additional cards to his hand, regardless of the point count, if decisions have been made on all players' hands and the point count of the dealer's hand will have no effect on the outcome of the round of play.

(15) A Player Wagering on More Than One Box:

- A. The Band may permit a player to wager on more than one box at the blackjack table provided, however, that the Tribal Council and its agents shall have the authority and discretion to prohibit this during hours when there are insufficient seats in a casino to accommodate patrol demand.

(16) Blackjack Tournament:

- A. The Band may allow the play of blackjack tournaments where, in addition to the wager, players may win other prizes as provided for in the rules of that particular tournament. Any such blackjack tournament must be played in accordance with these regulations. The rules of such a blackjack tournament must be made readily available to players or potential players on request.

(17) Distribution of Blackjack Tips:

- A. All tip bets won by a dealer and all other tips shall be deposited in a locking tip box in the dealer's pit area, and shall be pooled with all tips and tip bets accumulated by all other dealers and shall be divided not more frequently than weekly between dealers and supervisory management personnel as defined by the casino upon a formula established by the Band. Cash tipping shall be prohibited.

(18) Staffing & Surveillance Requirements:

The following staffing and surveillance requirements shall apply to the game of blackjack:

- A. At all times during the conduct of blackjack games the following staff and surveillance equipment must be present:
 - (i) for casinos which have four or fewer tables:
 - (a) at least one cashier;
 - (b) at least one pit boss or floor supervisor for each pit area open;
 - (c) one dealer per table.
 - (ii) for casinos which have more than four tables:
 - (a) at least one cashier;
 - (b) at least one pit boss or floor supervisor for each four tables or fraction thereof;
 - (c) one dealer per table; and

(d) video surveillance equipment that will enable the casino to provide surveillance at any given table, provided that for any casino where cards are dealt from the hand, or where the limits are greater than or equal to \$200, the requirements of section 4.5(7) shall apply.

- B. Except as otherwise provided, each dealer, pit boss and floor supervisor must be licensed by the Band before beginning work. As a condition of licensure each dealer, pit boss or floor supervisor must complete a training course prescribed by the Band. Such training course shall be similar in content and testing to other jurisdictions allowing blackjack. The course of training shall be of not less than 30 hours in duration, and the content of the curriculum shall be developed in conjunction with the State Department of Public Safety. Officials of the Department of Public Safety may participate in any training programs offered by the Band without cost. Upon licensure each dealer, pit boss and floor supervisor shall be issued a photographic identification card. Such identification card shall display the name of the Band issuing authority, the date of expiration, and the name of the dealer or pit boss.
- C. Each dealer, pit boss and floor supervisor shall be required to wear the photographic identification card described in subsection B of this section during all times when they are working. Such identification card shall be reissued no less frequently than annually.

Section 5. Background Investigations and Licensing of Employees and Managers

5.1 Background Investigations of Management Officials

Prior to entering into a management contract under Section 12 of the IGRA, the Band shall obtain sufficient information and identification from each management official to permit the State to conduct a background check. This information shall be provided in writing to the State Commissioner of Public Safety, along with the standard fee, who shall conduct the background check and provide a written report to the Band regarding each person within 30 days of receipt of the request, if possible. The Band shall not enter into a management contract if any management official has been determined to be a person whose prior activities, criminal record if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto.

5.2. Background Investigations of Employees Prior to Employment

Prior to placing a prospective employee whose responsibilities include dealing Blackjack, serving a cashier in connection with Blackjack or supervising dealers or cashiers, the Band shall obtain sufficient information and identification from the applicant to permit the State to conduct a background check. This information shall be provided in writing to the State Commissioner of Public Safety, along with the standard fee, who shall conduct the background check and provide a written report to the Band regarding each applicant within 30 days of receipt of the request, if possible. The Band may employ any person who represents in writing that he or she meets the standards set forth in this section, but must not retain any person if (a) the Band determines that the applicant's

prior activities, criminal record, if any, reputation, habits and associations pose a threat to the public interest or to the effective regulation of gaming, or create or enhance the danger of unsuitable, unfair, or illegal practices, methods and activities in the conduct of gaming; (b) the applicant has ever been convicted of a felony involving gambling; or (c) the applicant has been convicted of a felony within five years of starting employment with the Band. The restriction of subsection (c) shall not disqualify the applicant from employment if the Band by governmental resolution waives such a restriction after the applicant has demonstrated to the Band evidence of sufficient rehabilitation and present fitness.

5.3 Background Investigations of Employees During Employment

Each person in the Band whose responsibilities include dealing Blackjack, serving as a cashier in connection with Blackjack, or supervising Blackjack dealers or cashiers shall be subject to periodic review comparable to that required for initial employment as provided in section 5.2 by the State Department of Public Safety, which review shall take place at least annually commencing with the date of employment. The Band shall provide sufficient information to the State Commissioner of Public Safety to permit the State to conduct the background check on the employee. The Department of Public Safety shall conduct the necessary investigation within 30 days of written request therefor, if possible, subject to the standard fee, and shall provide a written report regarding each employee. Employees who do not meet the requirements of Section 5.2 shall be dismissed.

5.4. Criminal History Data

Criminal history data compiled by the Bureau of Criminal Apprehension of the State Department of Public Safety on management officials, prospective employees, and employees shall, subject to applicable state or federal law, be released to the Band as part of the report regarding each person.

5.5 Licensing and Discipline of Employees

All personnel employed by the Band whose responsibilities include dealing blackjack, serving as a cashier in connection with Blackjack, or supervising Blackjack dealers or cashiers shall be licensed by the Band. The Band shall publish and maintain a procedural manual for such personnel, which includes disciplinary standards for breach of the procedures.

Section 6. Accounting and Audit Procedures.

The Band shall engage an independent certified public accountant to conduct an annual audit of the books and records of all Blackjack gaming conducted pursuant to this compact and shall make copies of the audit and all current internal accounting and audit procedures available to the State upon written request. To the extent possible under state law, the State shall not disclose any information obtained pursuant to such a request. Also upon written request, the Band shall make the accountant's work papers available for review at the office of the accountant or the Band. The Band shall permit the State to consult with the auditors before or after any audits or periodic checks on procedures which may be conducted by the auditors, and shall allow the State to submit written or oral comments or suggestions for improvements regarding the accounting and

audit procedures. Within 30 days of receipt of any written or oral comments, the Band shall: (a) accept the comments and modify the procedures accordingly; or (b) respond to the comments with counterproposals or amendments. The State shall pay for any additional work performed by the auditors at the request of the State.

Section 7. Amendments to Regulatory and Technical Standards for Blackjack.

The regulatory and technical standards set forth in section 4 of this compact shall govern the play of Blackjack on the Band's reservation unless those standards are amended pursuant to Section 2 of this compact or pursuant to the procedures set forth in this section. For purposes of this section, amendments to sections 4 may be made only upon the written recommendation for, and detailed explanation of the proposed amendment by either party. The State Commissioner of Public Safety and the Chairman of the Band may thereafter, by mutual written agreement, amend the technical and regulatory standards contained in section 4 of this compact.

Section 8. Definitions.

8.1. Class III gaming.

For purposes of this compact, Class III gaming has the meaning given it by section 4(8) of the IGRA, 25 U.S.C. § 2703, subsection 4(8) (1988).

8.2 Private social bet.

A "private social bet" is a bargain in which the parties mutually agree to gain or loss by one to the other of money, property or benefit dependent on chance, although the chance is accompanied by some element of skill, which is made in a private, social context not part of or incidental to organized, commercialized or systematic gambling.

8.3 Gaming for charitable purposes.

For purposes of this compact, "gaming for charitable purposes" is any gambling conducted pursuant to Minnesota Statutes sections 349.11 to 349.23 or any comparable state law which permits certain forms of gambling to be conducted by nonprofit organizations and requires that the proceeds be contributed to charity or other specifically designated lawful purposes.

8.4 Gaming for governmental purposes.

For purposes of this compact, "gaming for governmental purposes" is gambling conducted pursuant to Minnesota Statutes sections 349A.01 to 349A.15 or any other state law which permits the State of Minnesota or any of its political subdivisions to operate any form of gambling.

8.5 Gaming for commercial purposes.

For purposes of this compact, "gaming for commercial purposes" is gambling conducted pursuant to a Minnesota law which permits gambling to be conducted by persons, organizations or entities and which permits those persons, organizations or entities to profit or obtain direct financial benefit from the

gambling. "Gaming for commercial purposes" does not include gaming for charitable or governmental purposes or a private social bet.

8.6 Management Officials

For purposes of this compact, a management official is any person who has a direct financial interest in, or management responsibility for any gambling conducted pursuant to this compact, and in the case of a corporation, shall include those individuals who serve on the board of directors of such corporation and each of its stockholders who hold (directly or indirectly) 10 percent or more of its issued or outstanding stock.

Section 9. Effectiveness Contingent Upon Federal Court Judgment.

This compact and all obligations hereunder shall be contingent upon (1) the Bois Forte, Fond du Lac, Grand Portage, Leech Lake, Mille Lacs, Red Lake, and White Earth Bands of Chippewa Indians, and the Prairie Island, Shakopee Mdewakanton, and Upper Sioux Communities intervening as plaintiffs in the lawsuit entitled Lower Sioux Indian Community v. State of Minnesota (U.S. District Court, District of Minnesota, No. 4-89-936); and (2) the court in the above Lower Sioux lawsuit entering a Consent Judgment incorporating the compact and its terms; and (3) the court in the above Lower Sioux lawsuit determining that consideration of the Report and Recommendation of Magistrate Bernard P. Becker, dated December 20, 1990, is unnecessary.

Section 10. Effect of Breach.

In the event that any federally recognized Indian tribal government bound by the consent judgement described in Section 9 breaches the consent judgment or a compact incorporated therein, the State shall direct any legal action at the breaching tribal government only, and such action shall not affect the validity of the remaining compacts between the state and any nonbreaching party.

Section 11. Retention of Legal Arguments.

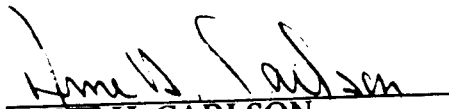
In the event this compact becomes inoperative or the conditions of section 9 are not satisfied, nothing in this compact shall be construed as a concession by any party of any legal position or argument it might have had concerning any form of Class III gaming in the absence of this compact, and no party shall be deemed to be estopped by the terms of this compact from making any argument it might have had in the absence of this compact.

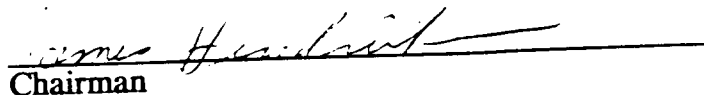
Dated: May 8, 1991

Dated: May 13, 1991

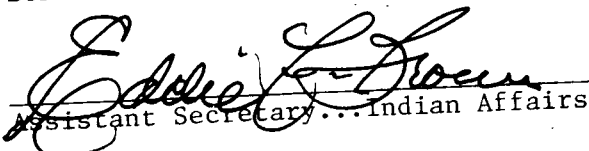
STATE OF MINNESOTA

GRAND PORTAGE BAND OF CHIPPEWA


ARNE H. CARLSON
Governor


Chairman

BUREAU OF INDIAN AFFAIRS


Assistant Secretary...Indian Affairs

SEP 25 1991

Date